

§ 48.4222(a)-1

(e) *Duty of selling manufacturer to ascertain validity of tax-free sale.* The selling manufacturer is not relieved of liability under the provisions of section 4221(e)(5) by reason of section 4221(c) for the tax imposed by section 4061(b) if at the time of sale the selling manufacturer has knowledge or reason to believe that the tires, tubes, or tread rubber sold by it to the purchaser are not intended for use on an intercity, local, or school bus, or that the purchaser has failed to register, or that its registration has been revoked or suspended.

(f) *Effective date.* Section 4221(e)(5) (relating to tires, tubes, and tread rubber) applies to sales on or after December 1, 1978. The sale of tires, tubes, or tread rubber sold prior to that date is not exempt from tax under section 4221(e)(5).

[T.D. 7834, 47 FR 42346, Sept. 27, 1982. Redesignated by T.D. 8659, 61 FR 10463, Mar. 14, 1996]

§ 48.4222(a)-1 Registration.

(a) *General rule.* Except as provided in § 48.4222(b)-1, tax-free sales under section 4221 may be made only if the manufacturer, first purchaser, and second purchaser, as the case may be, have been registered by the Internal Revenue Service.

(b) *Application instructions.* Application for registration under section 4222 must be made in accordance with instructions for Form 637 (or such other form as the Commissioner may designate).

(c) *Evidence required in support of tax-free sales.* See subparagraph (1) of § 48.4221-1(c) for evidence required in support of tax-free sales to purchasers who are required to be registered.

(d) *Failure to register.* If either the seller or purchaser is not registered as required by this section of the regulations, tax-free sales may not be made, except as indicated in § 48.4222(b)-1.

(e) *Cross references.* (1) For exceptions to the requirement for registration, see section 4222(b) and § 48.4222(b)-1.

(2) For revocation or suspension of registration, see § 48.4222(c)-1.

(3) For applicability of section 4222 and these regulations to exemptions

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provided by sections 4063(b), 4182(b), and 4293, see § 48.4222(d)-1

[T.D. 7536, 43 FR 13522, Mar. 31, 1978, as amended by T.D. 8659, 61 FR 10463, Mar. 14, 1996]

§ 48.4222(b)-1 Exceptions to the requirement for registration.

(a) *State and local governments.* The Internal Revenue Service will not register State or local governments under section 4222. To establish the right to sell articles tax free to a State or local government, the manufacturer must obtain the information described in § 48.4221-5(c).

(b) *Sales or resales to foreign purchasers for export.* Persons whose principal place of business is not within the United States may, but are not required to, register in order to purchase articles tax free for export. To establish the right to sell articles tax free for export to a purchaser who is not registered and who is located in a foreign country or a possession of the United States, the manufacturer must obtain the evidence required by paragraph (b) of § 48.4221-3.

(c) *United States.* Except as provided in paragraph (b) of § 48.4222(d)-1 (relating to sales to the American Red Cross) the registration requirements of the regulations in this part do not apply to purchases and sales by the United States or any of its agencies or instrumentalities. The evidence required in support of such tax-free purchases and sales is a notation on the purchase order or other document furnished to the seller clearly indicating that the article or articles are being purchased tax free as authorized by Chapter 32 of the Code.

(d) *Supplies for vessels and aircraft.* An article subject to an excise tax imposed by Chapter 32 of the Code may be sold tax free by the manufacturer under the provisions of § 48.4221-4 for use by the purchaser as supplies for a vessel or aircraft if both the manufacturer and the purchaser are registered under the provisions of § 48.4222(a)-1. The article also may, on or after July 1, 1965, be sold tax free for such use even though neither the manufacturer nor the purchaser is so registered if the provisions